

January 26, 1999

Pittsburg District Energy Facility Siting Committee  
David A. Rohy, Ph.D., Presiding Member  
Michal C. Moore, Associate Member

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Siting Project Manager

**PITTSBURG DISTRICT ENERGY FACILITY 98-AFC-1: January 25, 1999 Energy Commission Staff Status Report #4**

In its revised Scheduling Order issued December 30, 1998, the Pittsburg District Energy Facility (PDEF) Siting Committee directed Energy Commission staff to submit a status report on January 25, 1999. This document is staff's response.

**RECENT AND UPCOMING EVENTS/ACTIVITIES:**

December 16, 1998 - January 22, 1999: The applicant filed 11 documents, including errata to the December 7, 1998 AFC Supplement, responses to staff's data requests from August and November 1998, and clarifications/corrections to information previously provided. The information provided pertains to property ownership, worker availability, air emissions data, photo-simulations, facility configurations, electric and magnetic fields strengths, public health, biological resources, and the alliance and development agreement.

December 30, 1999: The PDEF Siting Committee issued their revised Committee Scheduling Order. The order eliminated the Preliminary Staff Assessment (PSA) as requested by the applicant and maintained the requirements for staff to file a Final Staff Assessment (FSA) by March 11, 1999.

January 8, 1999: The Bay Area Air Quality Management District (BAAQMD) responded to the Committee's revised scheduling order informing the Committee of the status of their review. See below.

January 8, 1999: The California Independent System Operator (ISO) submitted comments and concerns on the "Preliminary Facilities Study, Enron Pittsburg District Energy Facility." See below.

January 22, 1999: Staff issued data requests regarding air quality and visual resources. The applicant's responses are due on or before February 22, 1999.

February 9 & 11, 1999: Staff data request workshop and air quality issues workshops to be held in the City of Pittsburgh.

March 11, 1999: Staff to issue their Final Staff Assessment on the proposed Pittsburgh District Energy Facility.

March 15 – 24, 1999: Staff public workshops on the Final Staff Assessment.

## **STATUS OF STAFF ANALYSIS AND RELATED ISSUES:**

1) Data Requests - As indicated in staff's December 1998 status report, staff has prepared and issued additional data requests. The data requests ask for visual photo-simulations as discussed in the December 15, 1998 staff workshop and additional information required for staff's air quality analysis.

2) Determination of Compliance (DOC) - The BAAQMD, under their Rule 2-3-403, is required to submit a preliminary determination of compliance (the PDOC) with the District's rules and regulations 180 days after the District deems the application as complete. It is our understanding that the District has not deemed the application complete (the January 8, 1999 letter to Commissioner Rohy), based on the significant changes to the project. Assuming there is no delay in the BAAQMD's anticipated schedule (as indicated in its January 8, 1999 letter to Commissioner Rohy), the PDOC will be released by "late February." Although the District is attempting to submit their PDOC by the end of February, all parties should be aware that the District regulations provide for a considerably longer period of time for the District to submit its analysis, if need be.

Since the Final Staff Assessment is due to be released on March 11, 1999, it is unlikely that staff will be able to fully reflect the PDOC in the FSA, including issues that may not yet be resolved. In addition, staff will be unable to reflect the District's FDOC (which it will attempt to issue by April 8, 1999) in the staff testimony to be filed by April 2, 1999. It is possible that this date may slip. To address this, supplementary staff testimony on air quality will have to be amended after the issuance of the FDOC to provide a full discussion of the District's requirements and a complete set of air quality conditions of certification for consideration by the Committee.

3) ISO Determinations - In its January 8, 1999 letter, the ISO stated that the Preliminary Facilities Study "makes a good first cut" at evaluating the impacts of the PDEF in the grid. The ISO informed the Committee that certain concerns still remain regarding the interconnection of PDEF to the ISO controlled grid and what

remedial actions<sup>1</sup> may be required of the applicant to meet applicable reliability criteria are unknown at this time. In addition, approval of the ISO's New Generation Interconnection Procedures and Policies recommendations, which will provide guidance on remedial actions, system expansions, and interconnection study protocols, are still a couple of months away. As a result staff does not believe the ISO will be able to issue its determinations on the PDEF Final Transmission Study by February 8, 1999 and thus may not be fully incorporated into staff's March 11, 1999 FSA.

4) Staff Analysis – The staff understands the Committee's revised Scheduling Order that directed staff to prepare only a FSA in an effort to maintain the schedule on the case. We will comply with that request but want to express our concern about eliminating the PSA and the implications it may have on the project. In its Order the Committee stated "(t)ime would be better spent if staff completes all of its analyses without the extra step of drafting a PSA." Unfortunately, by eliminating the PSA step from the process, the Committee eliminated a key step in the development of the staff analysis. Staff uses the PSA as a vehicle to discuss their preliminary findings and recommendations with the applicant, the local community and interested agencies. The PSA is followed by workshops to discuss issues and receive comments. If issues are discovered in the analyses that require further effort to be properly addressed, the PSA stage highlights these issues so that parties can focus on them and work to resolve them prior to filing the FSA. The Committee's revised schedule eliminates the efficiencies gained by the PSA's public review and workshop discussions and may result in more time spent in hearings. In addition, the Committee's schedule calls for workshops on the FSA to be held between 4 to 14 days after it is published. Staff is concerned that this schedule limits the time allowed for review of the FSA prior to holding the workshops. This may prevent parties from fully participating in the discussion of staff's analyses that include final determinations by other agencies that are reflected in staff's analysis and often become recommended conditions.

Staff continues to receive information from the applicant necessary for the completion of its analyses (see Recent and Upcoming Events/Activities above). In its previous status report, staff discussed the extensive information contained in the AFC supplement, the potential for additional data requests, and the need for adequate time to develop a complete analysis. It is likely that staff will not be able to complete their analyses in some areas (i.e., air quality and transmission impacts) within the time allowed and thus will not be able to reach the necessary conclusions for approval of the PDEF in its FSA.

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<sup>1</sup> Remedial actions via a remedial action scheme may be used in lieu of upgrading the existing transmission system.

5) Overall Schedule - The staff understands the efforts of the Committee to accommodate the requests of the applicant. However, we are concerned that the Committee's schedule sends a signal that it is acceptable for applicants to make significant changes in their projects without allowing adequate time for other agencies or staff to review these changes sufficiently, obtain public comment and reflect them in a complete analysis.

Please let us know if you have any questions on our comments.

cc: PDEF Project Proof of Service  
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